

both have advanced this country's interests and helped us to be a better country. I think when we, as Democrats and Republicans, are required to make adjustments in these programs, we would be well to make adjustments without putting them in a vehicle where we have decided, also, before we balance the budget, to provide a significant tax cut. I understand there is even reason to disagree on the tax cut. I think working families deserve a lower tax burden. I would like to see us do the first job first: Balance the budget, and decide after we have done that job how we change the Tax Code and provide relief for working families.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I think the time until 12 o'clock is set aside for discussion on this side of the aisle, to talk a little bit about what we have been doing over the last couple weeks, to talk about some of the heavy lifting going on—balancing the budget, strengthening Medicare, reforming welfare, and doing something to reduce the tax burden on middle-class Americans. We want to talk a little about moving to the negotiation table, so that what is being done here can be done to affect the American public.

I yield 10 minutes to the Senator from Georgia.

PROTECTING MEDICARE

Mr. COVERDELL. I thank my colleague from Wyoming. I, of course, take some issue with the Senator from North Dakota. He quoted the statistics—to digress a moment—that indicated that Social Security was solvent until 2029, or something like that. The same people that he is quoting have told him, also, that Medicare is bankrupt in 6 years. They seem to forget that. Those trustees are really credible when they talk about Social Security, but they are not credible when they talk about Medicare.

Those same people that he is quoting are the ones that are telling the other side of the aisle that we better get serious about doing something about Medicare. The proposal that we voted on the other night should make everybody who is a beneficiary, or potential beneficiary, very comfortable, because that proposal guarantees a quarter-century of solvency. It takes it out just like Social Security. The proposal that we got from the other side of the aisle gives us a Band-Aid that would give us 24 additional months. I do not think there is a senior citizen in this country that is comforted by somebody making—I think he referred to it as “adjustments,” that give you 24 months of survival.

I think one of the strongest things that we have done is to effectively modify this program so that it is intact, it is secure, and there are more choices, and it is solvent for a quarter-century.

He also stated—reluctantly, I would say, after badgering the idea that we brought forward—that taxes ought to be lowered on the working families of America. He reluctantly, at the end, indicated that, well, maybe that is all right.

Let me tell you, it is more than all right. The other day on the floor, I mentioned that when Ozzie and Harriet were the quintessential family in America, Ozzie sent 2 cents of every dollar he earned to Washington. Today, that average family sends 24 cents out of every dollar to Washington, so that we can set the priorities for those families.

We have marginalized middle America. The Senator from North Dakota referred to the 1 percent that are wealthy. I might say that you could take this 1 percent and the 15 percent that are poor and on Government programs, and they are not terribly affected by this policy. They are either so wealthy that it does not matter to them, or they are in the Government program. But it is the vast middle class that bears the burden of what has been happening in Washington for the last 25 years. More and more has been extracted from that family and, as a result, they are less and less able to care for the housing and the education and health of that family. We have all acknowledged that the family is the core unit for maintaining the health of the country. But the Government has been pounding and pounding on that family for a quarter-century.

Today, half of their wages are consumed by one Government or another—a quarter in Washington, and the other quarter is divided between State and local government. An average family today earns \$40,000 a year. I guess that is supposed to be rich, if you listen to the other side of the aisle.

Mr. President, \$40,000—and by the end of the day they have somewhere between \$20,000 and \$25,000 to take care of all the needs of that average family.

If what was passed here this past Friday finally becomes law, we should talk about what that means, Mr. President, to this average family. It means that their interest payments on their mortgage is going to drop, and if that average mortgage is \$50,000, they will save \$1,081 a year in interest payments on their mortgage. They are going to save \$180 a year on the interest payments on their car. They are going to save \$220 a year in interest payments on auxiliary loans, whether it is for a student loan or refurbishing of their home. That comes up to almost \$1,500 or \$1,600 a year net on their kitchen table.

On top of that, that average family has two children. They are going to get a \$500 credit for each child; \$1,000, Mr. President, on the kitchen table.

So we have put \$2,000 to \$3,000 back in the account of every average family in America. That is an increase of anywhere from 10 to 20 percent of their disposable income. Tell me when middle

America would have received either in salary increases or any other benefit of that significance, 10 to 20 percent more disposable income.

The people that have been paying these bills, that have been paying the bills for Medicare and for Medicaid and for Federal retirement and the interest on our debt deserve relief, they deserve it, because we depend on them to educate, to house, clothe and keep healthy the future of America. That is what these proposals do—they return resources to the average working family in America.

Now, Mr. President, just an hour ago there was a joint session of the policy committees on the House side and we heard from major economists on Wall Street about these budget proposals. It was amazing. To the person they said, “Stick to it. America has got to have balanced budgets.”

If we achieve these balanced budgets, everybody will prosper, interest rates will drop. They already give us credit, this new Congress, from lowering it from 8 percent to 6 percent. They say if we actually pass this, and only 3 out of 10 Americans think we have the guts to do it, it will drop another percentage point. Interest rates will drop, inflation will drop, and the economy will expand. This family will put \$2,000 more into its own welfare and the people in that family that are looking for a new job will be standing in shorter lines and there will be fewer pink slips.

The fact that America would seize control of its destiny and manage its financial affairs, as any family in business has to do, will be a boon to America. Every one of these people said to us, “Don't blink, don't retreat. Get this done and the real beneficiaries are middle America.”

They passed out this chart, Mr. President. It is hard to see, but it shows the relationship to the growth in spending to inflation. When we are irresponsible as caretakers of our financial affairs in the Congress, and we spend too much—more than we have—we cause inflation to go up, we cause interest rates to go up, and then there is less available for expansion, and we cause people to lose their jobs.

Given what we are looking at, it is mindboggling to me that the other side of the aisle is not right at the table trying to find a way to support change in the way Washington has been operating.

Mr. President, we have been told that unless the United States does something very quickly, that within 10 years all U.S. revenues, all of our wealth, will be consumed by five things: Social Security, Medicare, Medicaid, Federal retirement, and the interest on our debt. And nothing is left.

That was presented to a group the other day in my home State and a woman stood up and said, “How in the world would we defend ourselves?” Good question. We could not. World rogues would love it if we stumbled

into the next century, crippled financially and unable to maintain the status of the superpower that we are. Five expenditures, and it is all gone.

Last April the trustees of Medicare came forward and said, "Look, it is bankrupt. Congress and Mr. President, do something about it."

I yield the floor.

Mr. THOMAS. Mr. President, I yield 10 minutes to the Senator from Minnesota.

THE \$500-PER-CHILD TAX CREDIT

Mr. GRAMS. I want to thank Senator THOMAS, my good friend from Wyoming, for setting aside this time on the floor today for my freshmen colleagues and I to share our perspective on the Second American Revolution.

There may be 11 freshmen new to the Senate this year, but we speak with a single voice when we talk about the mandate handed to us by the voters last November.

Beginning last Wednesday morning and continuing for 20 hours, this Senate undertook a historic debate. For 20 hours, as we outlined the Balanced Budget Reconciliation Act, we had the opportunity to outline for the American people a new vision for this country.

Our vision is about standing up for taxpayers and their families. It is about reining in the big government that has inserted itself more and more deeply into their lives over the last 40 years.

Our vision—this new approach to governing—begins with balancing the budget, preserving Medicare, redefining welfare, and letting the people keep more of their own money, through our \$245 billion package of tax relief.

Forty years of backroom wheeling and dealing by my colleagues across the aisle have dealt the American people nothing but a string of losing hands.

The big spenders may have had a long run, but they never played by the rules. Instead of using their own money, they demanded—over and over again—that the taxpayers be the ones to ante up.

With this Congress, however, it is a whole different game.

We are no longer going to let the Government gamble away the taxpayers' hard-earned dollars. In fact, we are going to keep those dollars out of the Government's hands in the first place.

As you know, the centerpiece of our tax relief package is the \$500-per-child tax credit, and I am proud that my colleagues stood with me to ensure that this desperately needed provision remains at the heart of our reconciliation bill.

The \$500-per-child tax credit will return \$23 billion nationwide every year to working-class families, and those families have been vocal in sharing their thoughts on what kind of difference the child tax credit would make in their lives.

Since I began working on the \$500-per-child tax credit 3 years ago, as a Member of the U.S. House, I have been receiving letters urging Congress to follow through on our promise of middle-class tax relief.

The letters have come from Minnesotans and from concerned Americans across this country, as well.

I hope they do not mind if I share parts of their letters with my colleagues.

Just a few: From Alabama, where the \$500-per-child tax credit would return \$354 million annually, I received this note on the very same day we began debating the reconciliation legislation.

The letter said:

Please continue your work toward Medicare reform, a balanced budget over 7 years, and tax cuts. The people of this country are with you and waiting for this to happen.

From California, where the \$500-per-child tax credit would return \$2.6 billion annually:

Our families desperately need tax relief, and our government needs to stop spending so wastefully.

Another letter, signed a "California Democrat," read in part:

Thank you for your support of the family tax credit. As a parent of three, I know parents need the help.

From Florida, where the \$500-per-child tax credit would return \$973 million annually:

Thanks for your efforts this past year in supporting tax relief for families!

From Georgia, where the \$500-per-child tax credit would return \$570 million annually:

I am writing to thank you for proposing the budget plan that would cut federal spending more than President Clinton's, and for supporting tax relief for families. We can use all the help we get!

From Illinois, where the \$500-per-child tax credit would return \$1.1 billion every year:

We are a one-paycheck family struggling to keep our heads above water. Two of our children are in a private school. The burden of paying for the public and private systems is great for us.

Nonetheless, we must do what we know to be best for our children. It is encouraging to know there are members of the government who understand our struggle and are working on our behalf.

From Minnesota's neighbor to the south, Iowa, where the \$500-per-child tax credit would return \$326 million annually:

Thank you for supporting tax relief for families. Keep up the great job!

From Kentucky, where the \$500-per-child tax credit would return \$300 million annually:

We realize you are fighting a tough battle and we fully support you on this issue. Keep fighting!

From Michigan, home State of Senator SPENCER ABRAHAM, who has been one of the Senate's most vocal advocates on behalf of family tax relief, and where the \$500-per-child tax credit would return \$977 million annually:

I want to commend and thank you for remembering and supporting the needs of families at tax time. Specifically, I want to

thank you for spending the past year arguing for the \$500-per-child tax credit.

There aren't very many people in Washington who remember the pro-family community in our country—and even fewer people in Washington who will support the family.

From Montana, where the \$500-per-child tax credit would return \$46 million annually:

We just wanted to take the time to say thank you for supporting tax relief for families. We appreciate your stand for us parents.

From Nevada, where the \$500-per-child tax credit would return \$95 million annually:

Tax relief is really needed. We know—we have four children, one income.

From New Hampshire, where the \$500-per-child tax credit would return \$102 million annually:

My reason for this letter is to thank each of you for supporting tax relief for families and to ask you to continue to do so until the tax relief becomes reality.

From New York, where the \$500-per-child tax credit would return \$1.4 billion annually:

Thanks for your work to try to get President Clinton to make good on his promise to give tax relief to families.

From Oklahoma, where the \$500-per-child tax credit would return \$269 million annually:

As a concerned citizen, a voter, and a taxpayer, I want to let you know there are a lot of us middle-income, family-heads-of-households who support you firmly.

For the Presiding Officer in the chair, the Senator from Pennsylvania, where the \$500-per-child tax credit would return \$1 billion annually:

Please continue to keep the profamily community in mind. The family network, its strength, is what keeps this Nation strong.

From South Carolina, where the \$500-per-child tax credit would return \$320 million annually:

Thank you for supporting tax relief for families. Keep up the good work!

From Tennessee, where the \$500-per-child tax credit would return \$446 million annually:

Thank you for supporting tax relief for families. Also, please continue to work for the deficit and keep it a point of public awareness.

From Texas, where the \$500-per-child tax credit would return \$1.6 billion annually:

I am in favor of a tax cut for families.

I believe that is one reason many people do not have more children these days—the Government taxes us so much, and tries to tell us how we should live and raise our children. I have three children of my own.

From Washington State, where the \$500-per-child tax credit would return \$537 million annually:

Thank you for your work this term to get tax relief for families. It is such a hard fight.

From Wisconsin, Minnesota's neighbor to the east, where the \$500-per-child tax credit would return \$505 million annually:

Thanks for your efforts to give families tax cuts.

And finally, Mr. President, the letters have poured in from my home